

0

0 No Comments



Related Acquires Discounted Debt on Stalled Chicago Spire Site

by Natalie Terchek June 25, 2013

Related’s acquisition of debt



Related of New York has agreed to buy the discounted debt on the stalled Chicago Spire condominium property, which was supposed to be North America’s tallest building, according to information on [The Wall Street Journal’s blog](#).

The Wall Street Journal’s blog also revealed that Ireland’s National Asset Management Agency (NAMA), the bank charged with managing that country’s distressed real estate assets, put the \$93 million in soured debt, accumulated interest and penalties it holds on the downtown Chicago property up for sale earlier this year.

2

4

5

.....

.....

.....

It has not yet been revealed how much Related Midwest, a unit of Related of New York, agreed to pay for the loan. But since the new note holder faces additional cost and risks with resolving this long-term foreclosure case in order to gain title (it has been in litigation for years), it is predicted that the cost of the debt will be significantly lower.

Even though the deal is expected to close this month, it could still fall through. Irish developer Garret Kelleher's firm still holds title to the Chicago Spire land parcel, where he planned to build a 2,000-foot tall condo tower. He bought the land for \$64 million in 2006, but the recession in 2008 put a stop to the construction.

A project is more likely to move forward at the Chicago Spire site now that Related has acquired the debt, but Related says it will not begin any construction on a project until it takes title to the property or cuts a deal with Kelleher.